

Business agency agreement

Abstract

The purpose of my thesis is to analyse the business agency agreement and describe its essential characteristics. The reason for my research is the practical application of this agreement, which enables a development of business and businessman is provided with an opportunity of expansion.

This thesis is divided into twelve chapters and each chapter is dealing with different aspects of business agency agreement. Chapter One is introductory and describes main goals of this thesis and essential characteristics of business agency agreement.

Chapter Two is subdivided into three parts and focuses on historical development of representation. First part describes representation influenced by Roman law, part two focuses on representation and agency during 19th and 20th century and part two investigates difference between direct and indirect representation, which is necessary for understanding of the business agency agreement.

Chapter Three describes the term business agency agreement and its essential elements. It is subdivided into two parts. First one focuses on difference between business agency agreement and its differentiation from employment contract. Second one describes elements such as contracting parties (the agent and the principal) and obligation between them, characterizes business agency agreement as a long-term agreement and contract for value.

Fourth Chapter concentrates on a problem of difference between exclusive agency and non-exclusive agency. It is subdivided into two parts and each one focuses on one of this types of agency according to its territorial difference.

Chapter Five focuses on the agent and consists of two parts. Part one describes the agent as a business person as a party to a contract and part two provides analysis of his/her most important obligation such as good faith, confidentiality, providing selected information and possibility of his/her liability.

In Chapter Six, I deal with key obligations of the principal. It is subdivided into two parts. Part one focuses on his/her obligation to act in good faith and fairly and part two describes his/her duty to provide the agent with essential documents, which helps him/her to fulfill the contract.

In following Chapter Seven, the thesis concentrates on a problem of commission as financial profit of the agent resulting from the contract. It is subdivided into six parts. Part one focuses on agent's right to it and factors, which could have effect on amount of this commission. In part two, I analyse agent's right to have costs compensated in relation with commission. Next two parts describe agent's right to commission before agency, during agency and also after its termination; they also characterize an origin of commission in comparison with different types of agency (such as exclusive agency) and describes moments of its origin. Part five includes description of maturity of commission, focuses on moments, when the principal is being due to payment. It also describes an obligation of providing the principal with report of commission, which the agent requires. In last part, I focus on the termination of the right commission.

Chapter Eight examines relevant ways, how to terminate business agency agreement in compliance with Czech legislation. It consists of three parts. Part one describes cases, when the agency agreement terminates upon expiration of an agreed term. Second way, how to terminate the contract, is described in part two and focuses on revocation of an contract and its key characteristics (pre-requisites and minimum period of notice). Last part deals with the possibility of withdrawal from contract.

The purpose of Chapter Nine is to characterize cancellation fee as a special right, which is given to the agent. In three parts, it focuses on its origin after the termination of contract. Second part focuses on its amount and its statutory limitation. Part three describes termination of agent's right to cancellation fee in relation with different conditions.

Part Ten includes description of competitive clause, which governs obligations of the agent after termination of business agency agreement. It prohibits competitive behavior of the agent and provides security to principal's interests.

Last chapter, Chapter Eleven, concentrates on legislative regulation of business agency agreement in Germany. It focuses on key differences between Czech and German legislation, such as requirement of a contract in writing and different types of commission.

Conclusions are drawn in Chapter Twelve. The main aim of the thesis is to prove my initial hypothesis has been reached. Business agency agreement consist of few specific arrangements, which characterize it, such as cancellation fee and competitive clause. The legislation of business agency agreement changed

inconsiderably during this year novelization. The enactment of Directive 86/653/EEC on the coordination of the laws of the Member States relating to self-employed commercial agents had much bigger impact. I also suggest that few amendments should be passed, such as possibility of advance payment in case of commission.